

KELLEY DRYE & WARREN LLP

A LIMITED LIABILITY PARTNERSHIP

TYSONS CORNER

8000 TOWERS CRESCENT DRIVE

SUITE 1200

VIENNA, VIRGINIA 22182

(703) 918-2300

ORIGINAL

EX PARTE OR LATE FILED

FACSIMILE

(703) 918-2450

www.kelleydrye.com

DIRECT LINE (202) 887-1209

E-MAIL: mhazzard@kelleydrye.co

ORIGINAL

March 16, 2001

RECEIVED

MAR 16 2001

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

VIA HAND DELIVERY

Magalie R. Salas, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

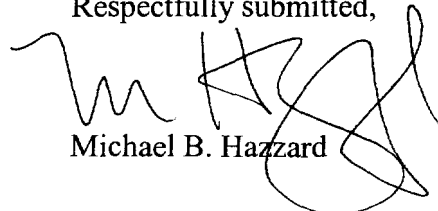
Re: Notice of Oral *Ex Parte* Presentation by Z-Tel Communications, Inc.,
CC Docket No. 96-98

Ms. Salas:

Pursuant to Section 1.1206(b)(1) of the Commission's Rules, Z-Tel Communications, Inc. ("Z-Tel"), by its attorneys, submits this notice of an oral *ex parte* presentation made in the above-captioned proceeding on March 14, 2001. The *ex parte* presentation was made during a meeting with Jordan Goldstein, Common Carrier Advisor to Commissioner Susan Ness. The presentation was made by Robert Curtis, President, Z-Tel Network Services, Inc.; and Jonathan E. Canis and Michael B. Hazzard of Kelley Drye & Warren LLP.

During the presentation, Z-Tel discussed its concerns regarding restrictions on the use of the unbundled local switching network element. In accordance with Section 1.1206(b)(1), an original and two copies of this *ex parte* notification and handout used during the presentation provided for inclusion in the public record of this proceeding. Please direct any questions regarding this matter to the undersigned.

Respectfully submitted,


Michael B. Hazzard

Attachment

cc: Jordan Goldstein
International Transcription Service

ot2



**Why have a phone line
when you can have a Z-Line?**



What We Sell



Z-Line Home Edition

THE SMART CHOICE IN LOCAL TELEPHONE SERVICE

- Unlimited Local Calling

- Online Address Book

- Speed Calling

- 200 Minutes of Long Distance

- Broadcast Messaging

- Find Me

- Three Way Calling

- Caller ID

- One Button Call Return

- Voice Mail

- Z-Alerts

Personalized Weather,
Financial Updates ...and More!





How Home Edition Stacks Up

<u>Monthly Service</u>	<u>Z-Tel™</u>	<u>Any Bell Company</u>
Basic Local Phone Service	Included	\$18.25
Local Calling	Included	\$7.50
Long Distance	200 minutes included	\$20.00
Enhanced Phone Features		
Call Forwarding (Find Me)	Included	\$7.50
Caller ID	Included	
Call Waiting	Included	
Speed Calling	Included	
Three-way Calling	Included	\$13.75
		(all four features)
Z-Line Special Features		
Voicemail	Free	6.25
Community Group Messaging	Free	Not available
One-button Call Return	Free	Not available
Online Address Book	Free	Not available
E-mail, e-fax	Free	Not available
Z-Alerts	Free	Not available
Total	\$49.99	\$73.25



Z-Tel Services and Capabilities

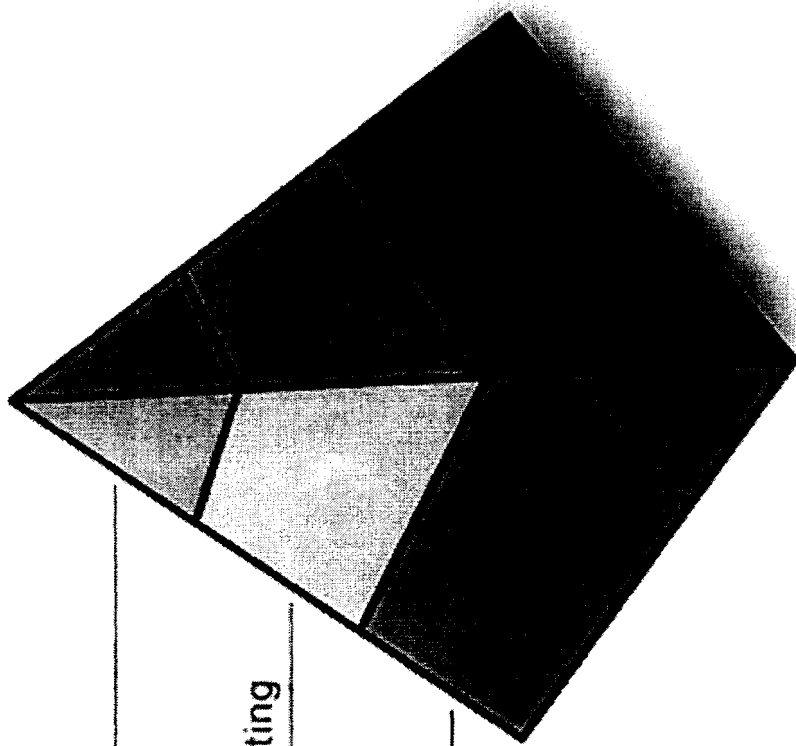


Three Companies In One

CLEC

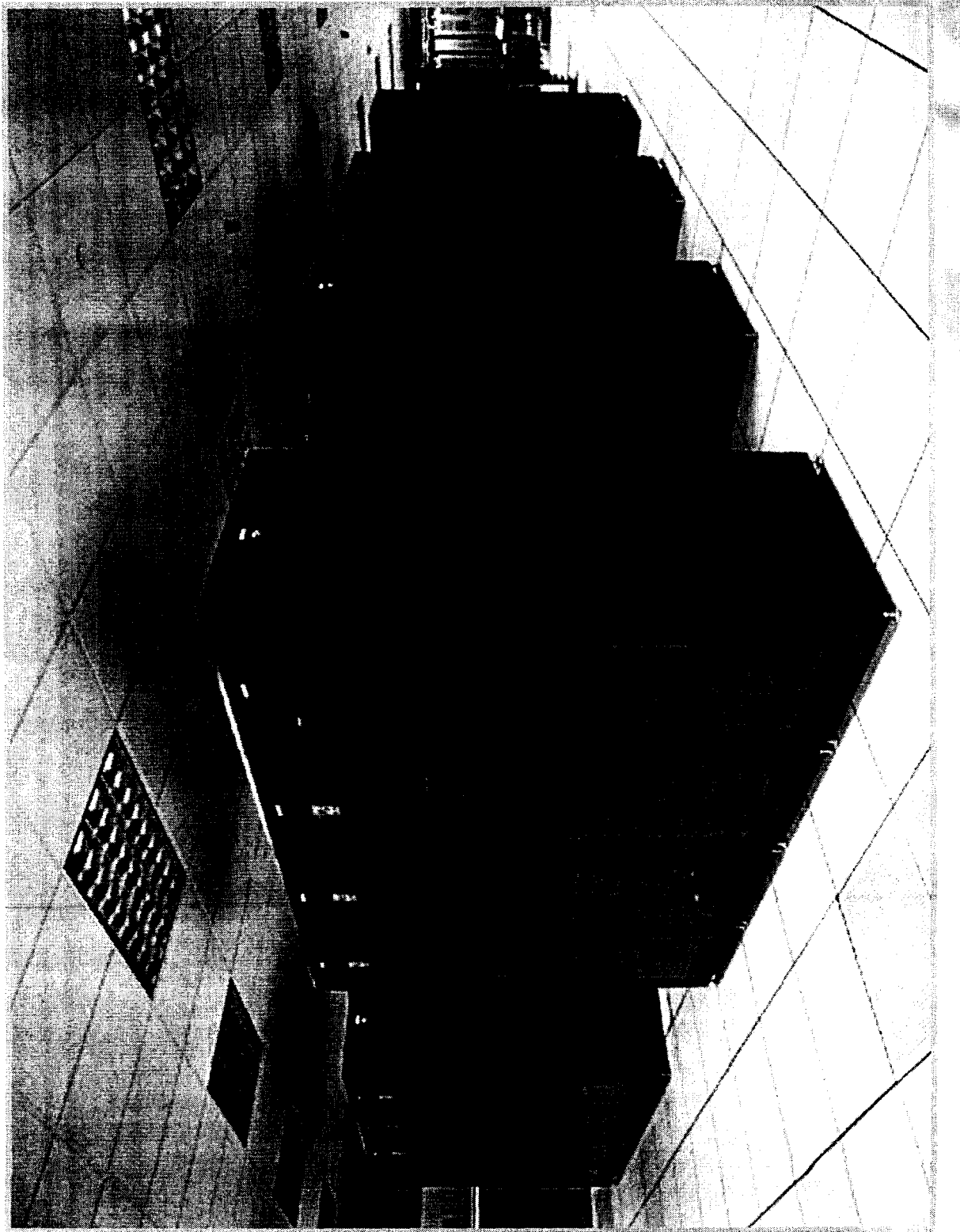
Consumer Marketing

Software





Z-Tel Data Center





Why a Z-Line is Better Than a Traditional Phone Line

The screenshot shows the Z-Tel website with a navigation bar containing links: Products, Features & Options, Special Offers, Customer Care, Investor Info, About Us, and Members. Below the navigation bar is a search area with fields for Member Name, Keyword, and a Search button. The main content area features a large heading 'Why have a phone line when you can have a Z-Line™?' followed by a diagram showing four service options: Z-Line Home Edition, Z-Line Long Distance, Z-Line Anywhere, and Z-Line Messenger, all pointing to a central image of a person using a phone. A 'Sign Up Now!' button is prominently displayed. To the right, there is a section titled 'What's New' listing three items: Z-Line Home Edition in Georgia, Z-Line Long Distance, and Z-Line Companion for your Handheld. Below this, a promotional offer for a \$20 online coupon for Z-Line Home Edition is shown, along with a link to Z-Alerts for personalized delivery of weather, news, and finance. At the bottom, the Kinkos.com logo is displayed, along with a link to get 100 free business cards from kinkos.com. The footer contains links for Home, Sign In, Sign Up Now, Customer Care, Z-Line Access Numbers, and a copyright notice for 2000 Z-Tel.

http://www.myzline.com/

Home Help Sign In

Products • Features & Options • Special Offers • Customer Care • Investor Info • About Us • Members

Member Name: Keyword: Search

Z-Tel™ combines cutting edge technology and traditional phone service to give you the real power of communications. As smart, as simple as you need it to be. You have the choice and the voice. You decide.

Why have a phone line when you can have a Z-Line™?

- Z-Line Home Edition™
- Z-Line Long Distance™
- Z-Line Anywhere™
- Z-Line Messenger™

Sign Up Now!

What's New

- ▶ Z-Line Home Edition in Georgia
- ▶ Z-Line Long Distance
- ▶ Z-Line Companion for your Handheld

Get \$20 When You Sign Up for Z-Line Home Edition!

Special \$20 online coupon for Z-Line Home Edition!

Z-Alerts: Personalized Delivery of Weather, News, & Finance

kinkos.com™ Get 100 free business cards from kinkos.com!

Home • Sign In • Sign Up Now • Customer Care • Z-Line™ Access Numbers
©2000 Z-Tel. All Rights Reserved.

- *Integration of Web-based features with telephone service*
- *Accessible on your home phone, cell phone, or Internet*
- *Get own personal web space*



Z-Line Web Interface Messaging

Browser address bar: <https://www2.z-tel.com/operations/messages.jsp?folder=INBOX>

Navigation: Home Help Sign Out

Welcome, Kyle. Change Sign In Direct Number: 813-262-7236 Z-Line™: 813-835-7574 | E-mail: ksbrown@myzline.com

Messaging • Calling • Address Book • Communities • Account • Assistance

Voicemail **INBOX(2)** **SAVED(5)**

INBOX: 2 messages, 2 new [Check for new messages](#)

	<input type="checkbox"/>	Play	Callback	From (Click for Options)	Date (EST)
!	<input type="checkbox"/>	▶	813-233-4777	Bill Johnson	10/4/00 2:25 PM
!	<input type="checkbox"/>	▶	714-234-5678	Wilma Kansas	10/4/00 10:25 AM
!	<input type="checkbox"/>	▶	408-222-9897	Charlie Owens	10/4/00 2:25 PM
!	<input type="checkbox"/>	▶	615-789-1243	James Thomas	10/4/00 10:25 AM
!	<input type="checkbox"/>	▶	914-224-8756	Jeff Copper	10/4/00 2:25 PM
!	<input type="checkbox"/>	▶	213-457-9837	Anthony Hill	10/4/00 10:25 AM

Move To: **INBOX**

Options:
Voicemail:
Find Me:
Web Dial™:

Tools:
Quick Start
Z-Line Companion™
Z Internet Access™

Home - Log Out - Contact Us - Access Numbers
©2000 Z-Tel™. All Rights Reserved - [Member Agreement](#)

[[Return to Top](#)]
[Refer Others](#) and Earn \$5 Z-Line™ Credit

*Listen to voice mail on the web or any phone, reply,
forward or check home voice mail instantly at work.*



Z-Line Web Interface Address Book

Browser: <https://www2.z-tel.com/operations/addressbook.jsp>

Home ? Sign Out
Welcome, Jeff. Change Sign In

Direct Numbers: 813-262-3054 | E-mail: jeff_copper@myzline.com

Messaging • Calling • Address Book • Communities • Account • Assistance

Contacts -126 Total

[Pop-up Address Book](#) [Import Contacts](#)
[Lookup Z-Line Members](#) [Add Contacts to Distribution Lists](#)

Display Type*: ☐ Business Card ☒ List
Displayed Address*: ☐ Business ☒ Home

Options
Voicemail:
Find Me:
Web Dial™:

Tools
Quick Start
Z-Line Companion™
Z Internet Access™

All A B C D E F G H I J K L M N O P Q R S T U V W X Y Z

Page: 1 2 >> of 2

[Add Contact](#) [Delete Selected Contacts](#)

* Non-Z-Line members

A

<input type="checkbox"/> Martha Ager	
<input type="checkbox"/> Brenda Applegarth	813-262-3028
<input type="checkbox"/> Paul Armes	813-262-3916

B

<input type="checkbox"/> Forrest Boushall	813-262-3916
---	--------------

Document Done



Z-Line Web Interface

Z-Alerts

Strategy.com Weather - Select Services - Netscape

File Edit View Go Communicator Help

Bookmarks Location: http://home.strategy.com/Weather/Services.asp

Back Forward Reload Home Search Netscape Print Security Shop Stop

Instant Message WebMail Radio People Yellow Pages Download Calendar Channels

Z TEL Home Help Sign In

Change Sign In

Messaging • Calling • Z-Alerts • Address Book • Communities • Account • Assistance

Powered by
Strategy.com

Welcome Daffy! [Logout](#)
September 14, 2000

[HOME](#) [NEWS](#) [FINANCE](#) [WEATHER](#)

[VIEW REPORTS](#) | [CHOOSE LOCATIONS](#) | [SELECT SERVICES](#) | [HELP](#) | [ABOUT](#)

QUICK FORECAST

Enter Zip Code or Location [GO](#)

[Daily Update](#)

[Severe Alert](#)

[Personal Alert](#)

[Weekend Update](#)

[Beach Report](#)

[Summary](#)

Select Services

1. Choose a service from the list on the left.
2. Select a communication device you want messages sent to.
3. Check the days and times you want messages and the locations to be included.
4. Click Save when you're done.

Daily Weather Update [\(Format Service\)](#)

☐ Email ☐ Pager ☐ Mobile ☐ Phone

Days
☐ Sun
☐ Mon
☐ Tue
☐ Wed
☐ Thu

Time 1
10:30 A.M.

Locations
☐ Tampa, FL

Time 2

The Daily Weather Update ([Preview](#)) sends the current conditions, the 24 hour and 5-day forecasts for your chosen locations.

The forecast you want to see:

- on the move, in a pager or cell phone message
- at the office, in an email or fax
- at home, in a phone call.

Document: Done



Widening the Gap

Recent Upgrades

Fax Mail Number & Extension

Fax Number: 813-555-1234
Fax Extension: 300144216

[Home](#) - [Log Out](#) - [Contact Us](#) - [Access Numbers](#) [Refer Others](#) and [Email](#)
©1999 Z-Tel, All Rights Reserved [\[Return to Top\]](#)

● Fax Mail

● Pop Up Address Book

● Palm VII Integration

● Internet Call Waiting

● Email

2 Line - Contacts - Microsoft Internet Explorer

Back Forward Stop Refresh Home Search Favorites

Contacts - 18 Total

[Close Continuous Contact](#)

Display Type: ☐ Business Card ☒ List
Displayed Address: ☐ Business ☒ Home

[All](#) [A](#) [B](#) [C](#) [D](#) [E](#) [F](#) [G](#) [H](#) [I](#) [J](#) [K](#) [L](#) [M](#) [N](#) [O](#) [P](#) [R](#) [S](#) [T](#) [U](#) [V](#) [W](#) [X](#) [Y](#) [Z](#)

Page: 1 of 1

* Non-2-Line members

A

Branda Applegarth Cellular: 813-555-0124
Manager of Partner Programs
Z-Tel Communications
123 Some Street
Tampa, FL 33602
US
Fax: 813-555-0348
Email: bapplegarth@z-tel.com

B

Alley Baggett Home: 407-555-1368
162 Some S Ave
Orlando, FL 32813
US
Fax: 407-555-9873
Email: abaggett@email.net

Kyle Brown Business: 215-555-6013
VP of Internet Marketing
Z-Tel Communications
917 North Ave
Atlanta, GA 30319
US
Fax: 214-555-0125
Email: kbrown@z-tel.com

myzline.com

Home Contact Us Log Out

Direct Numbers

Z-Line
Access #: 800-476-4164
VoiceMail: 800-476-4164
Find Me: X
Web Dial: 6

Messaging **Calling** **Address Book** **Communities** **Account** **Assistance**

VoiceMail | Email Fax | Notify Me

☒ Messaging ☐ Email/Fax [LivePrint.com](#)

Welcome to the myzline email system

Please take a few moments to enter your details

Your From Name: AmyUser
Default email reply address: AmyUser@myzline.com
Your Signature:

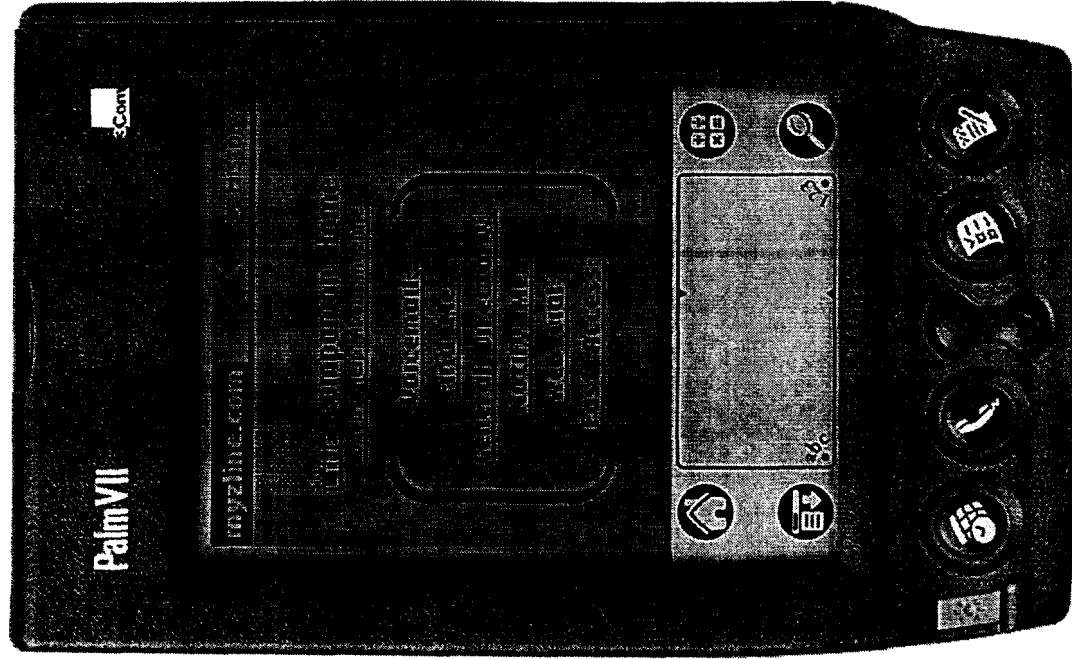
Access Numbers Quick Start

NetMeeting - Incoming Call

Incoming call from another person...



Z-Line Companion



Control your Z-Line

Check voice mail

Initiate a phone call



Z-Tel's Unlimited Free Calling Between Customers

Call Any Z-Line Customer for Free – No Limits!

Z-Line Bundle Includes:

- Keep the same number
- Unlimited local calling
- Free long distance minutes
- Caller ID, Call Waiting
- Call Forwarding, 3-Way Calling
- Fine Me at three numbers
- Voice mail
- Fax mail
- E-Mail
- Web Dialing
- Address Book
- And more





Billboard Advertising

**Communication Objective:
No more long distance**

**MOM IN MIDLAND?
NOW IT'S A LOCAL CALL.**



LOCAL PHONE SERVICE WITH FREE LONG DISTANCE
www.ztel.com 1-877 BE-SMART

The Smart Choice

**SISTER IN SAN ANGELO?
NOW IT'S A LOCAL CALL.**



LOCAL PHONE SERVICE WITH FREE LONG DISTANCE
www.ztel.com 1-877 BE-SMART

The Smart Choice

**DAD IN DALLAS?
NOW IT'S A LOCAL CALL.**



LOCAL PHONE SERVICE WITH FREE LONG DISTANCE
www.ztel.com 1-877 BE-SMART

The Smart Choice

**BEST FRIEND IN FRIENDSWOOD?
NOW IT'S A LOCAL CALL.**



LOCAL PHONE SERVICE WITH FREE LONG DISTANCE
www.ztel.com 1-877 BE-SMART

The Smart Choice

**GRANNY IN GALVESTON?
NOW IT'S A LOCAL CALL.**



LOCAL PHONE SERVICE WITH FREE LONG DISTANCE
www.ztel.com 1-877 BE-SMART

The Smart Choice

**SWEETHEART IN SWEETWATER?
NOW IT'S A LOCAL CALL.**

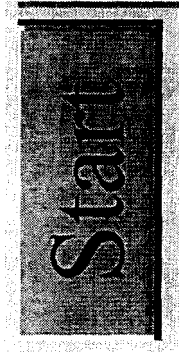
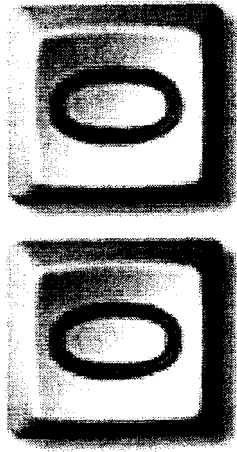


LOCAL PHONE SERVICE WITH FREE LONG DISTANCE
www.ztel.com 1-877 BE-SMART

The Smart Choice

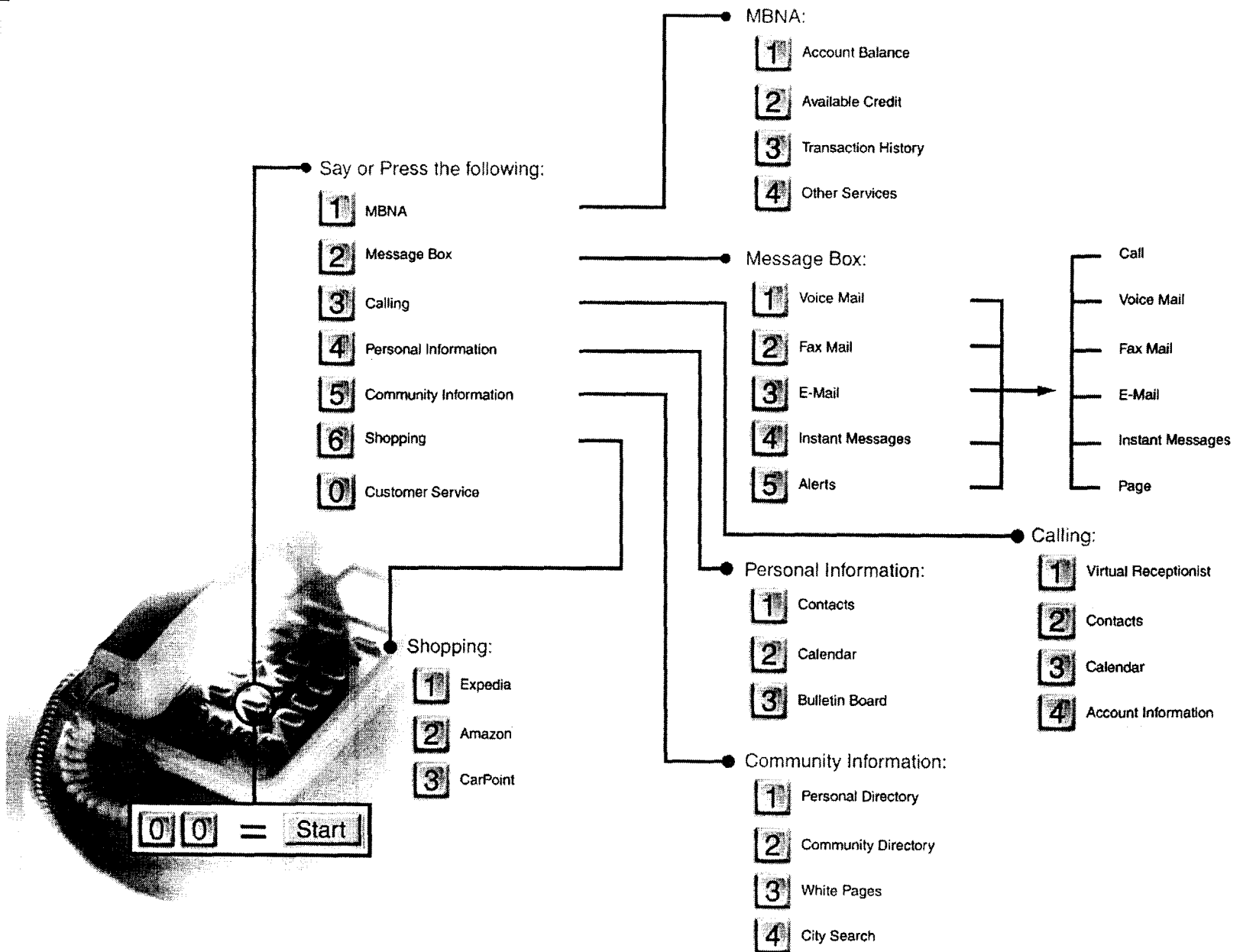


Z-Tel Delivers Intelligent Dial Tone to Any Telephone



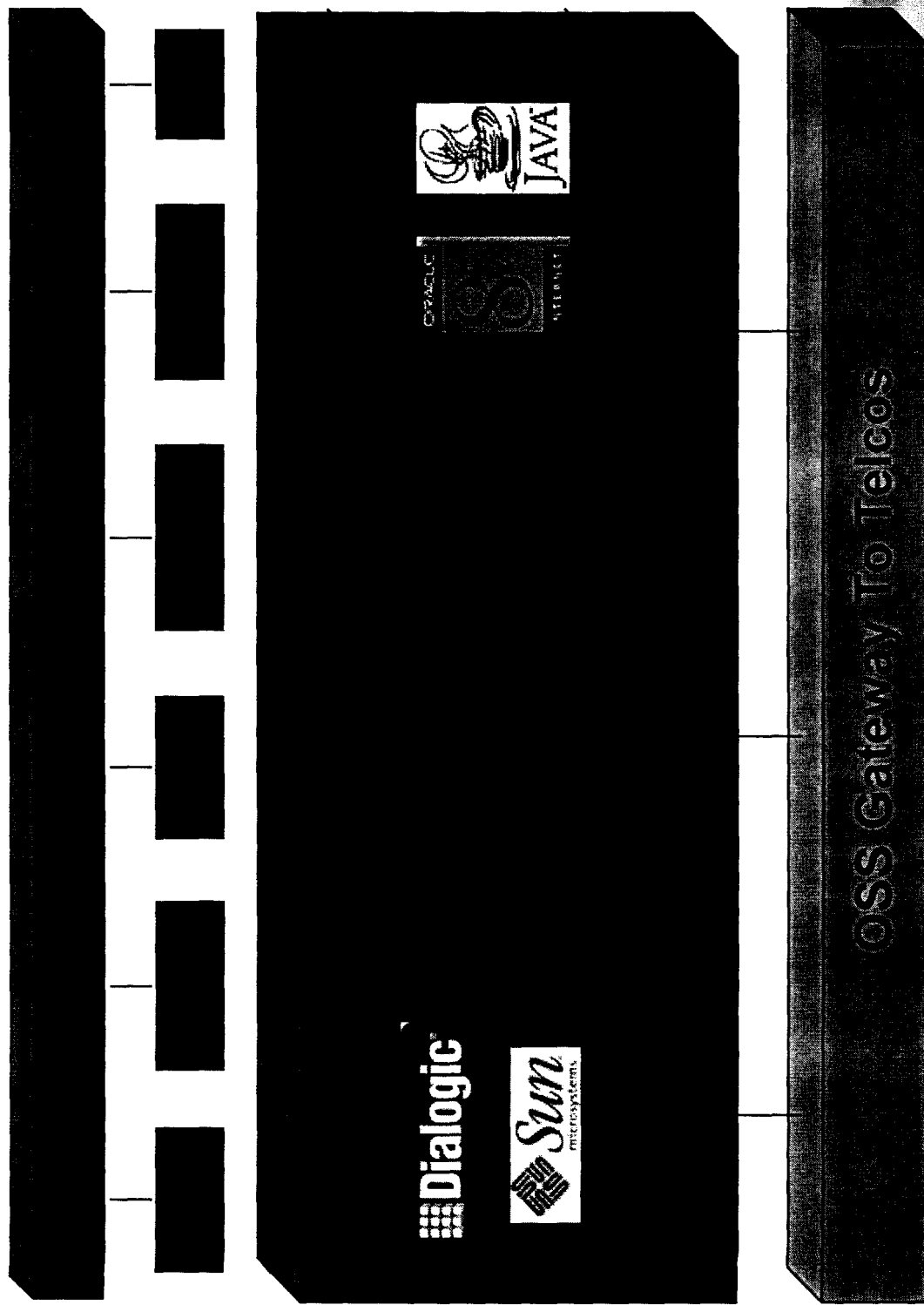


Allowing You to Do All This



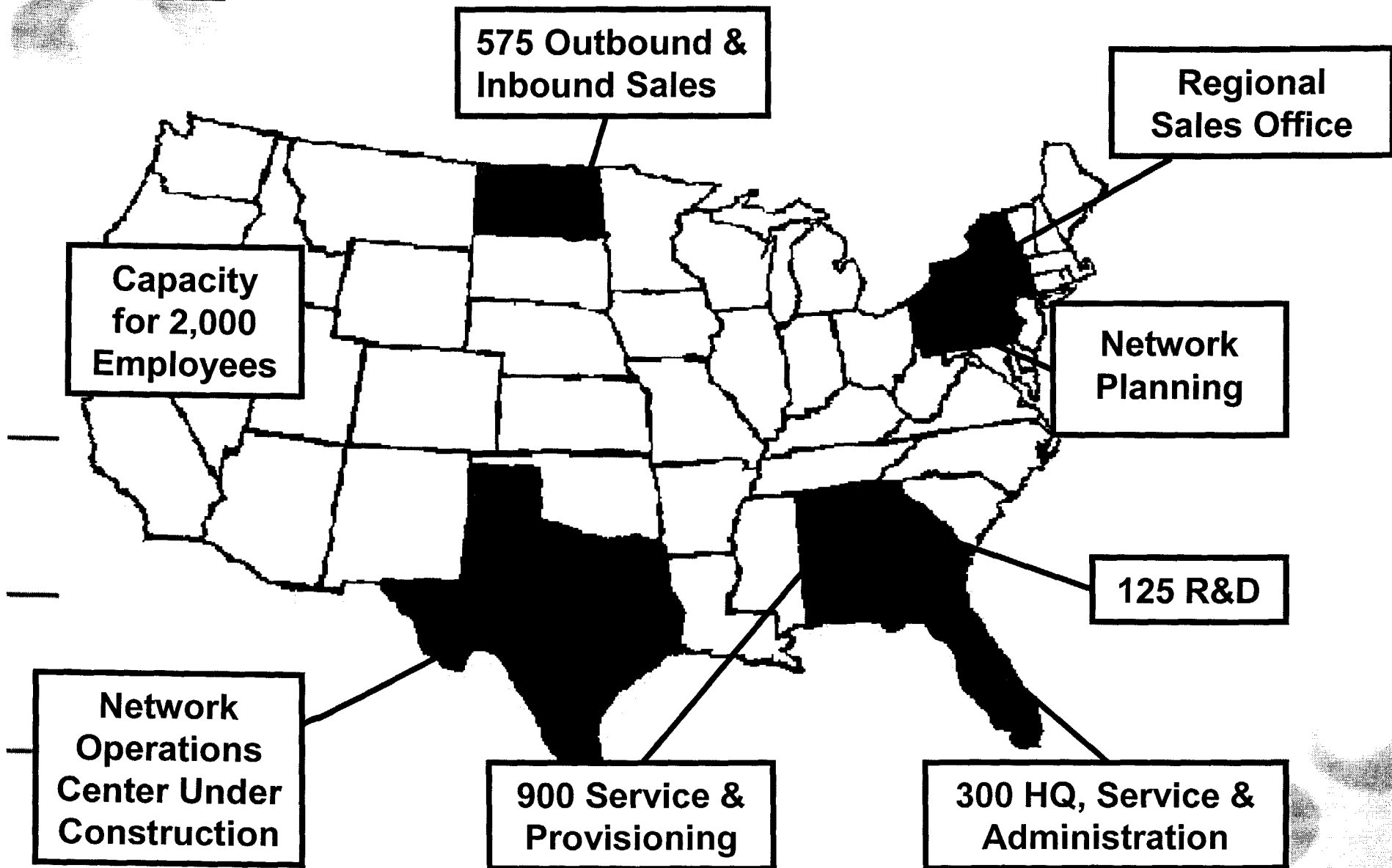


Integrated Z-Technology



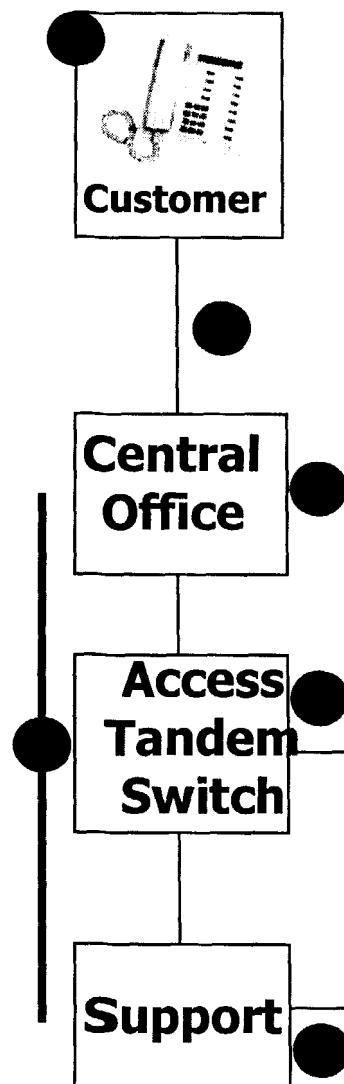


Z-Tel Infrastructure In Place Nationwide Serving 340,000 Customers





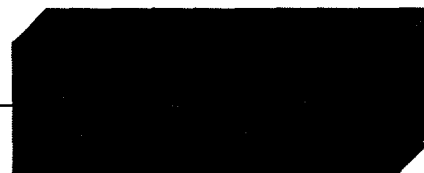
UNEP Makes it Possible



UNEP Elements

- Network Interface Device
- Local Loop
- Local Switching
- Interoffice Transport
- Signaling and Call Related Databases (AIN)
- Operations Support Systems

Z-Technologies "Plug-In" to UNEP





UNEP is Key to Innovation

Application Layer is Key to Telecom Innovation

- UNEP is Essential to Software and Application Innovations
 - Total Service Resale (TSR) Precludes Required Level of Interconnection, and therefore Forces Competitor to Offer Subset of Existing ILEC Service
- Z-Tel's Present and Future Services are made possible by focus on software development
- Z-Tel has invested over \$100MM in Software Development and Infrastructure
- UNEP allows Z-Tel to Focus on Software and Applications
 - UNEP Allows Z-Tel to Create Superset of Incumbent Service Offering
 - UNEP Does not Require Z-Tel to Duplicate Investment in Antiquated Network
 - UNEP Allows Tight Software Integration with PSTN
- Innovation Will Come as Much from Software and Applications as from New Infrastructure – and UNEP is Therefore Key



UNEP is Key to Mass Market

UNEP = Ubiquity

- UNEP Gives CLEC Presence in Entire ILEC Service Area
- Mass Market Entry Requires Ubiquitous Presence
 - Newspaper, Radio, Billboard Advertising Depends on Ubiquity
 - Within an MSA, Mass Market Carrier Cannot Efficiently Select to Serve Some Customers, but Not Others
 - True of Both Residential and Small Business Service
 - No CLEC is Collocated in ALL Central Offices in an MSA, so They Cannot Provide Ubiquitous Service



UNEP is Critical to Any Policy Promoting Innovation and Technology Investment

- **UNEP is an Entry Strategy – Not a Substitute for Investment**
- **UNEP Allows Competitor to Build Upon Legacy Infrastructure of Incumbent**
 - Good Policy Should not Require Duplication of Antiquated Switching Equipment
- **Resources Can be Focused On:**
 - Software and Application Innovation
 - UNEP has allowed Z-Tel to actively do this
 - Deployment of Next Generation Packet Switching
 - Will allow even more sophisticated software development and services benefiting end users
- **Resale Would Stifle Innovation and Investment**
 - Precludes Required Integration with PSTN
 - Dooms Service Offering to Subset of ILEC Service